



Talking about payroll autosave with employees

—
A practical guide to communicating an opt-out approach to payroll saving



BlackRock



**Money &
Pensions
Service**

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About this guide

This guide is part of our evolving workplace emergency savings research programme. More information and our research reports are available by visiting nestinsight.org.uk/workplace-emergency-savings

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BlackRock is a global investment manager serving the UK market for more than 30 years with a purpose to help more and more people experience financial well-being. BlackRock's Emergency Savings Initiative is made possible through philanthropic support from the BlackRock Foundation. The initiative brings together partner companies and nonprofit financial health experts to make saving easier and more accessible for low- to moderate-income people across the US and UK, ultimately helping more people to establish an important financial safety net. For more information, visit blackrock.com/corporate/about-us/social-impact



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The SUEZ and TransaveUK autosave trial

In November 2021, Nest Insight launched a new UK research trial in collaboration with SUEZ recycling and recovery UK and TransaveUK to test the effectiveness of an opt-out approach to workplace emergency saving. This innovative trial aims to examine whether making payroll saving the default enables many more workers, who want to build up a savings buffer, to get started.

New joiners to SUEZ are automatically signed up to payroll saving with credit union TransaveUK, if they don't opt out. Employees are able to make changes to the amount they save if they want to, quickly withdraw their money if they need it and they can stop saving at any time.

Employee communications are a key part of this trial. The communications are designed to ensure that all employees understand the saving scheme and are aware of their ability to choose whether to save. Equally, it is also important that for those who do not opt-out are to be aware that they have savings, so that in the event of an emergency or when they want to access their money, they can do so quickly and easily. Many of the learnings shared in this guide are drawn from this trial. Nest Insight will be sharing the broader initial results of the trial by the end of 2022.

We are grateful to Michelle Sutton, Lisa Thomas, Claire Townsend, Richard Loftus and everyone at SUEZ and Roger Shelton, Olivia Sharman and everyone at TransaveUK for their collaboration. We are also grateful to the Financial Conduct Authority's regulatory sandbox for supporting this work. We'd also like to thank all the individuals who generously gave their time to take part in interviews and discussion groups as part of this research.

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This guide aims to give employers and providers a view of some of the key considerations when communicating an opt-out approach to payroll saving. If you are in any doubt about how legislation and regulation apply to opt-out payroll saving, or your organisation, we recommend that you seek specialist legal advice. We don't make any representation or warranty, express or implied, that the communications included in this guide are accurate, complete or error free. We don't accept responsibility for any loss caused as a result of reliance on the communications contained in this guide, which are intended to be for guidance only, nor do we accept responsibility for loss caused due to any inaccuracy, incompleteness or error.

If you would like to find out more about our work, or if your organisation is interested in collaborating with us on savings pilots and research, please get in touch: insight@nestcorporation.org.uk.

Quick read

What's payroll autosave?

Research shows that most people want to save, and that having some accessible savings improves financial security and wellbeing, particularly for those on low to moderate incomes. However, many people struggle to get started with saving because behavioural and cultural barriers get in the way. This is true even when they work for an employer that offers the opportunity to save through payroll.

An opt-out approach helps employees to get started with saving if they want to. Instead of having to actively sign up to save, employees automatically start saving through payroll if they don't opt out. Each payday, some of their pay is moved into their own accessible savings account. If they want to, at any stage, they can increase or decrease the amount they are saving or pause or stop saving altogether. They can access the savings at any time, instantly and without penalty or conditions.

Throughout this report we refer to opt-out payroll saving as 'autosave'. This term was favoured by employees because it reflects both the automatic nature of the opt-out joining mechanism but also the ongoing automation of contributions made to savings.

“Autosave sounds better. ‘Opt-out saving’, is my least favourite [...] so yes, ‘autosave’ something, it’s self-explanatory, you’ve auto-enrolled, into savings. There’s not confusion of, ‘Did I opt in, did I opt-out?’”

SUEZ employee who has experienced an autosave approach

“I actually quite liked autosave because it makes me think of, like, automatic and quick.”

Employee, new to autosave

About this guide

The success of an autosave scheme relies greatly on easy-to-understand and transparent communications. This guide has been developed based on a series of in-depth interviews and focus groups with low to moderate-income employees from a range of organisations. Its purpose is to outline some of the key reflections employees had on how autosave should be presented to them. The communications tested were based on those currently used in the SUEZ recycling and recovery UK and TransaveUK autosave pilot¹. We will continue to build on and amend this approach as the evidence base grows.

Any organisation offering payroll autosave will need to tailor communications, bearing in mind the specifics of the employee-base, the structure of the autosave scheme, and the communication platforms available. Therefore, this guide does not provide templates for communicating autosave but rather suggests a few key principles and messages to consider based on our learnings from research with employees. Many of these principles and messages will also be relevant to other forms of payroll saving.

This guide forms part of our evolving workplace saving programme exploring the ways in which employees can be best supported to build financial resilience. More information on this and our research reports can be found at [nestinsight.org.uk/research-projects/workplace-emergency-savings](https://www.nestinsight.org.uk/research-projects/workplace-emergency-savings)

¹ Nest Insight teams up with SUEZ recycling and recovery UK and TransaveUK to launch opt-out payroll savings trial (Press release) Published 25 November 2021: <https://www.nestinsight.org.uk/opt-out-payroll-savings-trial-launch/>

How should autosave feel for employees?

Two key principles should guide all communications development. At every stage of the communications journey, employees want to feel:



1. Confident

“I understand how payroll autosave works, what to do if I don’t want to save and what will happen to my money if I do. I have confidence in the motives of my employer and the provider, and I know that if I save, my money is safe.”



2. In control

“I can make a choice that’s right for me. If I decide to save, I know I can flex the account to meet my needs and access my money at any time I need to.”

Key messages to include

Although language and exact wording will need to adapt to each employer context, an effective autosave communication would include the following messages:

Message	Example language
Saving can give you peace of mind	
Explain why you as an employer or provider are offering a savings scheme and what the benefits are.	“Regularly putting money aside can help you to build financial security and feel more prepared, which can also improve your wellbeing.”
It’s your choice	
Include clear opt-out instructions with a simple one click/email opt out.	“You can easily opt out now if you want to by emailing...”
It’s easy	
Give clear simple information suited to low levels of financial literacy and confidence and be clear that no action is required to start saving.	<p>“Even if you’ve never saved before, you can start saving easily now.”</p> <p>“You don’t need to do anything – it’s all taken care of.”</p> <p>“Your account will be set up for you and you will save regularly automatically.”</p>
It’s flexible	
Provide reassurance that default settings can be changed easily and at any point.	<p>“You can change the amount you save either up or down.”</p> <p>“You can pause or stop saving at any time.”</p> <p>“You can take some or all of your money out at any time for any reason.”</p>

Your money is safe

Explain who the provider is and give proof points for why they can be trusted. Provide links to provider and Financial Services Compensation Scheme (FSCS) information, and account terms and conditions where appropriate.

“Our savings provider is regulated and trustworthy.”
 “Your savings are protected so there’s no risk of losing your money.”

There’s no cost

Provide reassurance that there is no catch, and the scheme is set up to be in employees’ interests.

“There are no fees for using the product.”
 “There are no penalties for withdrawing your money.”

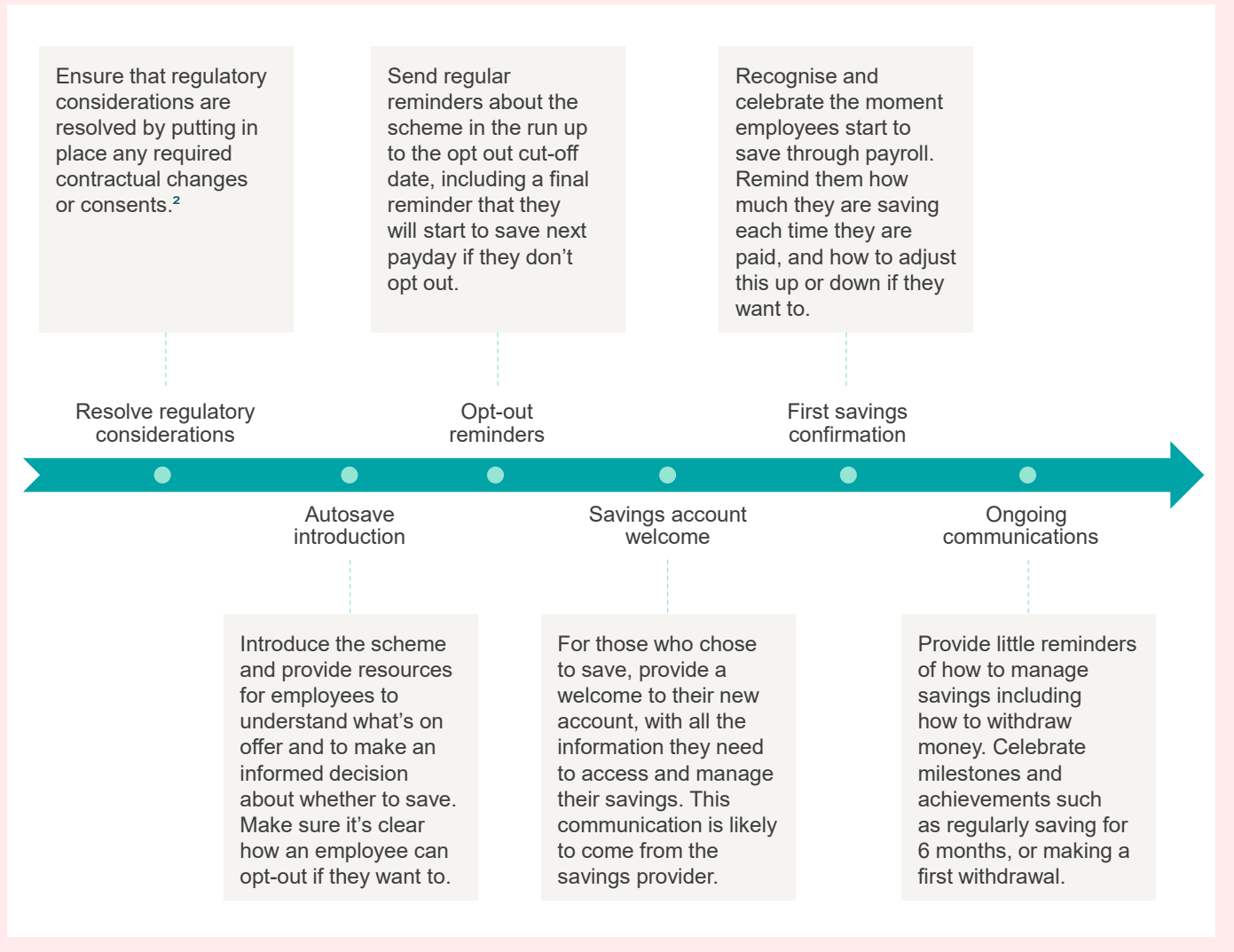
Things to avoid

Some traps to avoid and things to watch out for in communicating payroll autosave include:

Language that suggests money is deducted or taken from pay	The money saved is still the employee’s money – it is partitioned for them into a savings account in their own name. So, talking about “moving” or “adding” money to their savings through payroll is more accurate and avoids feelings of loss.
Hiding the opt-out	The aim of autosave is not to have all employees saving through payroll, it’s to give those who want to save a helping hand. Making sure employees can make the optimal decision for their circumstances means foregrounding details of how to opt out, rather than hiding them. If people feel ‘pushed’ to save there is likely to be a negative response.
A focus on savings balance, rather than saving behaviour	Whilst other forms of saving are designed to incentivise people keeping their money in and building a savings balance, accessible savings are there to be used when needed. People need a buffer in place before they can build savings for the longer term. Reward and reinforce the savings habit rather than the balance.
Over focussing on interest rates or dividends	These are complex financial concepts and can be off-putting for those unfamiliar with them. For those new to saving, they may also be lower priority than other benefits of the scheme such as ease and accessibility.
Jargon, technical concepts or too much detail	Autosave is designed to help employees get started with saving, even if they lack confidence or financial literacy. Many employees are daunted when faced with language relating to tax and financial services, for example “net pay” and “pre-tax”. Try to use words colleagues would use like “take-home pay” and “cash savings.” Too much information can also be off-putting. Information should be layered – with a quick and simple way through for those who want the bare minimum information, and links to more detailed content for those who are more confident.
Being overly prescriptive about what the savings should be for	Employees will use payroll saving in different ways to meet different needs. It can be helpful to suggest broadly how savings could be used, but employees should feel able to decide for themselves what their savings are for and will often have multiple goals.
A lack of clarity on the employer role	Where an employer is offering payroll savings as a benefit, employees may fear that their employer will find out about their personal finances, or even that their employer is benefitting financially from their saving. Be clear on what the employer and provider roles are, and that employees’ personal finance information, such as balances and withdrawals, will be kept confidential by the provider.

The employee journey

There is more than one way to communicate payroll autosave to employees. How this should be done will depend on factors including the communication platforms available, the location of employees and whether autosave is offered to all employees or only a subsection. However, a clear, transparent and engaging communication journey for employees could include these steps whatever the context and design:



² Opt-out payroll savings - The regulatory considerations <https://www.nestinsight.org.uk/wp-content/uploads/2021/12/Opt-out-payroll-saving-the-regulatory-considerations.pdf>

What is payroll autosave?

An autosave approach helps employees to get started with saving if they want to. Instead of having to sign up actively, employees automatically start saving through payroll if they don't opt out.

The problem we are trying to solve

There's growing awareness that accessible savings can help protect people against financial shocks. Short-term savings also play an important role in improving overall financial resilience, wellbeing and employee productivity.³ However, many UK employees do not have a savings buffer in place: it's estimated that around 11.5 million people in the UK have less than £100 of savings to fall back on.⁴

The problem is not that people don't see the value of saving or want to do so – most do. Recent Nest Insight research found that 9 out of 10 employees recognise that short-term emergency savings are important.⁵ But significant behavioural and cultural barriers get in the way of savings intentions translating into actions.

“When I was saving up money in a tin each month, I found that easier than going and opening up a savings account in the bank because I'm not very tech savvy. I don't understand that sort of stuff [...] I'd have to make an appointment and take time out of work to sit down and speak to someone and see what the options are to get their advice.”

SUEZ employee who has experienced an autosave approach

Workplace payroll saving has huge potential to make a difference by overcoming some of these barriers to saving that employees experience, including:

- › **Choice overload:** the complexity of choosing a provider and product is reduced if there is a good savings solution in place within my workplace.
- › **Loss aversion:** the difficulty of setting aside money for saving is reduced if some of my earnings are moved via payroll deduction into savings before the money hits my pocket.
- › **Lack of time, energy and mental bandwidth:** the difficulty of forming regular savings habits can be overcome if savings are automatically made every payday on my behalf by my employer.

However, take-up of workplace savings schemes is usually very low, despite there being a need and an appetite from employees for this support. Even with a workplace savings scheme in place, several barriers still tend to get in the way of people getting started with saving:

- › **Awareness:** Even with investment in communication programmes, employees are often unaware that there is a payroll savings scheme they could use.
- › **Inertia:** Many employees mean to sign up to save but just don't get round to it.
- › **Self-confidence:** People who have not saved before, or have struggled to save in the past, may doubt whether they can do it and lack the confidence to try.
- › **Cognitive load and friction:** There is drop-off at every step of the payroll savings sign-up journey. Some sign-up journeys require people to input information that they may not have to hand or to go through further identity checks. Even in a streamlined sign-up journey, people may still struggle to follow through to the end, for example if they stumble on decisions like how much to save each pay period.

³ Nest Insight, Workplace emergency saving: a landscape review of existing evidence (2021) <https://www.nestinsight.org.uk/wp-content/uploads/2021/07/Workplace-emergency-saving-a-landscape-review-of-existing-evidence.pdf>

⁴ Financial Capability in the UK (2018) <https://www.fincap.org.uk/en/articles/financial-capability-survey>

⁵ Sidecar Money Matters Survey Year 1 follow up, n = 7,883

“I know I need to sort [a savings account] [...] but there’s just always something else that needs doing, particularly when you’ve got kids.”

Employee

“I considered going for it, I don’t know why I didn’t do it, I didn’t get around to it.”

Employee

Switching the default to overcome barriers to saving

A change from an opt-in to an opt-out approach could overcome the barriers preventing those who want – and need – to save from getting started, without forcing those who don’t want to save to do so. In an autosave model, an employee will be enrolled into payroll saving by their employer without them having to do anything themselves. Employees retain the choice not to save, but the default is that they will be enrolled by their employer into an emergency savings account if they don’t opt out.

This approach is currently being piloted by SUEZ recycling and recovery UK with early results to be published in the coming months⁶. Encouragingly, employees who have not previously been savers because they did not get round to it or were not confident to do it themselves, are now saving regularly.

“Now I have savings, I’ve never had savings before, that’s a nice feeling, my financial situation is improving [...] I thought it was a good idea. I never would have sorted it out myself. I didn’t have to do anything, that all came through the post and in emails – it was all done for me.”

SUEZ employee who has experienced an autosave approach

The target audience

When thinking about using payroll autosave to improve financial resilience and wellbeing, the primary target audience should be those with little to no savings. However, this is not to say that those with existing pools of savings would not benefit from an autosave scheme. Across our savings trials we have seen that payroll saving has a broad appeal, including amongst existing savers, either because it helps them segment or build their savings, or because it is seen to be simple and innovative to use.

“I love saving anyway [...] I just thought, well, it’s being done automatically [...] It helps.”

SUEZ employee, remained enrolled and had other saving and investment accounts

For those not wanting to use the payroll autosave scheme, the decision not to save is still available and easy to take. Indeed, autosave preserves the choices offered in a typical workplace payroll scheme – save or not save – but arguably creates a much better alignment between employee need and the default behaviour. In an opt-in model, those least likely to have savings, who are under more financial pressure and who may benefit the most are also those least likely to make active choices, due to limited bandwidth and lower levels of financial confidence. In an autosave model, the decision falls to those who know they don’t need to or want to save; a

⁶ Nest Insight teams up with SUEZ recycling and recovery UK and TransaveUK to launch opt-out payroll savings trial (Press release) Published 25 November 2021 <https://www.nestinsight.org.uk/opt-out-payroll-savings-trial-launch/>

group more likely to be financially confident and to be saving elsewhere. Early evidence from the SUEZ trial suggests that even employees who chose to opt out of saving in this way are supportive of the aims of the scheme and see its value for others.

“I think it’s good to offer something like this to your employees. I think it’s responsible [...] I think it would be useful for a lot of people.”

SUEZ employee, opted out of the autosave scheme

The role for communications

Effective employee communications are key to the success of an autosave approach for employees. They need clear and timely information to decide whether to save or not. If they don’t want to save, they need to know how they can opt out. And if they do want to save, they need to know what this will mean for them, including how much they will start saving and when, how to change the amount they save each payday, and how to access their money quickly and easily should they want to. Communicating the scheme effectively also has the potential to enhance employee perceptions of their employer and to boost employee engagement.

This research

The principles of communicating payroll autosave outlined in this paper are based on Nest Insight’s ongoing research into payroll saving, including our experience of working with SUEZ and TransaveUK to develop the communications approach they have used to implement an autosave approach. In addition, we conducted qualitative communications research with two groups of low and moderate earning workers to inform the development of this guide:

- › Four online focus groups with a total of 15 employees from a range of different employers who were new to the idea of payroll autosave. Most were considered to be financially ‘squeezed’: they kept up with bills at the moment and had a small buffer for unexpected costs but would need to borrow if household costs went up significantly. The rest were financially ‘struggling’: they self-reported difficulties in keeping up with bills and payments, had no savings, and would need to borrow to cope with unexpected costs.
- › Nine in-depth interviews with SUEZ employees who had experienced a payroll autosave approach and its communication and had either chosen to remain in the scheme or to opt out. Within this group there was a spread of ages and job roles.

In the focus groups, we spoke to employees about their experience of saving, their perception of opt-out payroll saving and their opinions of some examples of how payroll autosave may be communicated. In the one-on-one interviews, similar topics were explored with a focus on the specific communications SUEZ employees saw as part of their experience of the autosave scheme and the overall user journey, for example, order, timings, and locations of communications.

The principles: how should autosave feel?

The success of an opt-out payroll savings approach depends on the participant experience. Communications should be clear and transparent. Employees, who may be new to saving, want to feel confident and in control at every stage.

The purpose of payroll autosave is to help employees do something they already want to do. We have heard from some stakeholders who think that they should 'push' more employees to save. There is a danger that with this mindset, the tone of communications could feel coercive or even deceptive. Our research suggests that this approach can backfire. We believe that employees should not feel that something is being done 'to' them, but rather that they are being supported to do what they already want to do.

Clarity and transparency

A large part of achieving this aim is making sure that all communications are clear, easy to understand and transparent. Indeed, this is a regulatory requirement.

The Responsibilities of Providers and Distributors for the Fair Treatment of Customers (RPPD) by the Financial Conduct Authority (FCA) outlines a set of 11 Principles for Businesses that should be followed to ensure that customers are treated fairly.⁷ Of note here are:

- › Principle 6, 'Customers' interests', which states a firm must pay due regard to the interests of its customers and treat them fairly, and,
- › Principle 7, 'Communications with clients', which states that a firm must pay due regard to the information needs of its clients and communicate information in a way which is clear, fair, and not misleading.

Using an opt-out model of payroll saving, the employer would potentially be fulfilling a role in distributing the savings product to the consumer and would need to adhere to the relevant Principles for Business. For example, the opt-out approach and employee communications surrounding it would need to be clearly and fairly communicated. Account information would need to be clear and not misleading. It would also need to be clear to an employee how to opt out, and the route for doing so would need to be easy, with cut-off dates for opting out provided well in advance, and subsequent reminders in good time.

It should be clear to the employee what the roles and responsibilities of both the employer and provider are. For example, that the employer will manage the opt-out process but that any questions regarding the savings product as well as servicing and activity on the account will be the provider's responsibility.

In determining what constitutes 'clear, fair and not misleading' communications, an employer should pay regard to the level of financial capability of their employees and where uncertain, assume that this is low. They should ensure that the communications they provide to employees about the account remain relevant and up to date with regular check-ins with the provider to manage the communication of the scheme.

"I think it's good that if it's clear, if they're telling you clearly, 'We will open it unless you opt-out', and you know that then that's down to you to say otherwise, you know, so your employer can't really be held responsible if it's opened and you say, 'I don't want it'."

Employee, new to autosave

⁷ The FCA (2021) <https://www.handbook.fca.org.uk/handbook/RPPD/link/PDF.html?msclid=851dd563c47711ec8c33db11db38de72>

Trust and autonomy

Secondly, it is important to think about the tone of communications and the emotional response they are likely to prompt. Based on our research with employees, we believe that the principles of trust and autonomy should underpin any payroll autosave communications – employees should feel confident and in control at every stage:



1 Confident

“I understand how payroll autosave works, what to do if I don’t want to save and what will happen to my money if I do. I have confidence in the motives of my employer and the provider, and I know that if I save, my money is safe.”

“It’s pretty much black and white, isn’t it? If you don’t want to save, you don’t need to. If you want to opt-in at a later date, you can.”

Employee, new to autosave

“Everything is thought through [...] if you ever have a situation, well, [SUEZ] have provided you with the tools for that situation.”

SUEZ employee, remained in the scheme



2 In control

“I can make a choice that’s right for me. If I decide to save, I know I can flex the account to meet my needs and access my money at any time I need to.”

“They’re saying, ‘This is an option’, they’re basically letting you decide.”

Employee, new to autosave

“I could cancel it at any time, if, after a couple of months I went, ‘Actually, I’m really missing this money’.”

SUEZ employee, remained in the scheme

Key messages

Although language and exact wording will need to flex to each employer context, an effective autosave communication would include six key messages that were repeatedly highlighted as important for building understanding of and confidence in the scheme.

1 Saving can give you peace of mind

Building up a savings buffer can help employees maintain stability when their financial situation takes a knock from an unexpected expense or drop in income. Not only can this help employees avoid expensive lines of credit, it can also provide peace of mind that could help improve broader wellbeing and productivity.⁸

“If you’ve got savings you’ve got a little bit of a safety net [...] I do feel like you do worry otherwise if the car breaks down [...] It’s like, ‘Oh crap, I haven’t actually got any savings so I’m going to have to either put it on credit card and get into more debt or pay it out and struggle for the month’.”

Employee, new to autosave

Saving through payroll also gives peace of mind that savings are made automatically and regularly without the need to remember to take action.

“So, you know, I’ve known hard times [...] it’s kind of a weight on you as well. With the monthly bank things, you know, you have to set up the direct debit [...] But, I don’t notice it, I really don’t [with autosave].”

SUEZ employee, remained in the scheme

2 It’s your choice

The choices offered in payroll autosave are identical to opt-in saving in that an employee can save or not save. When the scheme is clearly explained and the option of opting out is referred to, as well as how to do this, employees should feel they were being presented with a choice.

“It’s not like they’re pressuring you or anything like that. It’s not hard sell. The option’s there if you want it.”

Employee, new to autosave

That’s not the only choice employees have. While defaults are used as a starting point, employees can still decide how much to save, whether to make additional contributions outside of payroll, and whether to close the account. They can also decide when they use their money and what for, by making unlimited withdrawals without penalty.

⁸ CIPD (2022) <https://www.cipd.co.uk/knowledge/culture/well-being/employee-financial-well-being>

The National Forum for Health & Wellbeing at Work (2020) <https://www.alliancembs.manchester.ac.uk/media/ambs/content-assets/documents/health-and-wellbeing-forum/ambs-financial-wellbeing-guide-feb-2020.pdf>

In the interests of promoting choice, the opt-out mechanism should not be overly cumbersome. In the two opt-out payroll saving schemes we are aware of, this opt-out is managed with a simple email to Human Resources (HR). In our research, most thought this was an appropriate way to opt out, with some consideration as to whether a link, similar to 'unsubscribe' on a marketing email, would be an equally suitable alternative. Whichever process is chosen, it should be clear how to do it, and quick to do.

3 It's easy

One of the main benefits of payroll autosave for employees is that it couldn't be easier to save. Messages such as "You don't need to do anything – it's all taken care of", "Even if you've never saved before, you can start saving easily now" and "Your account will be set up for you and you will save regularly automatically" all reinforce this.

Employees may never have saved before, so employers should give clear and simple information suited to those with low levels of financial literacy and confidence. Layering communications by linking to other resources and more detailed information, for example a payroll autosave policy, can help ensure that the communications are suitable for those with low financial literacy but are also suitable for those with more interest in, or understanding of, financial information.

"The benefit for me would be that it's not hitting your pocket [...] It's coming out of your salary before you even get a chance to spend it. You haven't got to do anything, you haven't got to sign up, it's already setup for you."

Employee, new to autosave

"Everything was set up for me. I didn't have to do a thing."

SUEZ employee, remained in the scheme

4 It's flexible

The flexibility of an autosave scheme can provide reassurance that if an individual's circumstances change, they can adapt their saving to suit them. For example, the savings amount can be changed up or down after the account is set up, contributions can be paused, withdrawals made, or the account closed altogether at any time.

"There's nothing that would tell me that, 'Oh, wait but I'm not in control of that part'. I think the way they've worded it makes you think that you're fully in control, if you want to take all of your money out, if you want to take part of it out, if you want to opt-out. They've basically given you full control."

Employee, new to autosave

For most people we spoke to, it was important that savings were quickly and easily accessible at any time and this should be built into the scheme as default and clearly communicated.

5 Your money is safe

The employer should explain who the saving product provider is and provide layered information to employees with key information and opportunities for their own further research, for example FAQs, link to the provider's website, the account terms and conditions. It can be helpful to provide proof points to reinforce the credibility and trustworthiness of the provider such as giving examples of other well-known employers who use them to provide

payroll savings or evidence of their good customer service. Drawing attention to the fact that the provider is regulated and that an individual's savings are protected by relevant schemes, for example FSCS, can be another way to reassure employees.

“To me it sounded like a no-brainer, but I know there are some saving schemes where it can be tied up with the government and you can still potentially lose it [...] from what I understand [...] the money is still secure [in autosave]. So, yes, there was no risk to it basically, I was never going to lose that money, so, and it was accessible if I needed it.”

SUEZ employee, remained in the scheme

“I’m not very savvy with [saving] but that I would just want to know that they [the provider] were reputable.”

Employee, new to autosave

6 There's no cost

An autosave product should be free for employees to use and there should be no penalty for withdrawing money. This provides reassurance to employees that if they need to access their money they can do so without fear.

“To know that you can access it without penalty at any time is really good.”

Employee, new to autosave

Employees may need some reassurance that there is no catch to the scheme, and that the scheme is set up to be in the interest of employees. Being transparent about the motivations of the employer can also reduce cynicism. This could include describing the benefits to the organisation of building a happier, more financially resilient workforce.

“Sometimes when something sounds too good to be true, you know, I’m brought up to think it probably is, why would somebody let me for free put £40 a month away, I’d be able to access it at any point with no penalty sort of thing?”

SUEZ employee, remained in the scheme

Things to avoid

As well as things to include, our conversations with employees also raised several things to watch out for and avoid when communicating a payroll autosave scheme to employees.

Language that suggests loss

If employees choose not to opt out of payroll saving, a savings account will be opened for them, with the deposits into the account available to use as they wish. The money saved is still the employee's money – it is partitioned for them into a savings account in their own name. Therefore, using language such as “deductions” or money being “taken” from pay creates a perception of loss that does not exist in reality. Instead, using terms like “moving” or “adding” money to a savings account can avoid the feeling of loss and more accurately describes what is happening to an employee's money.

Hiding the opt-out

The aim of autosave is not to have all employees saving through payroll, it's to give those who want to save a helping hand. Making sure employees can make the optimal decision for their circumstances means foregrounding details of how to opt out, rather than hiding them. If people feel 'pushed' to save there is likely to be a negative response.

Employees should make the saving decision that is right for them and shouldn't be prevented from doing so by unclear communication of how to opt out nor an overly burdensome process.

“You don't want to coerce people into thinking that they have to do it [...] So, it's good that you have that option.”

Employee, new to autosave

Where employees do not have access to emails about the opt-out process, or where they may not frequently access them, alternative communications should be provided, for example, a letter or verbal information, to make sure they have had reasonable warning of what is about to happen.

A focus on savings balance, rather than saving behaviour

A focus on building up a savings balance should also be avoided in the communications, given that this is not the primary aim of such accounts. Using the money for cash-flow management, to pay unexpected bills or budget more effectively may be valuable uses for such accounts even if the balance does not build over time. In focusing too much on the balance of the account, there is a risk that when an employee comes to draw down on their money in an emergency, that there is a sense of loss or failure at having to dip into their pot, even though drawing on the savings pot might have prevented them from financial stress or accessing expensive credit.

Over focussing on interest rates or dividends

Financial concepts like interest rates and dividends are complex and may be off-putting to those who are unfamiliar with them.

“To be honest, I’m not very, like, with companies and interest, savings. I’m not very savvy with anything like that [...] I mean, as long as they’re a reputable company I think that’s all you’re looking for really.”

Employee, new to autosave

Employers should provide reassurance that the savings account is a good quality choice in the simplest terms possible. Other benefits of payroll saving, such as saving automatically before it “hits your pocket”, easy access, and peace of mind, are more relevant to many savers in this context, who will be saving small amounts and often regularly withdrawing the money.

For others, information on interest and dividends was important for being able to compare accounts. Again, this is where layering of communications is important; to provide more detailed information when an individual seeks it, making sure it is easily accessible and that nothing feels hidden. ‘Find out more’ or ‘FAQ’ links can be good ways to include this important financial information for those who want it without overwhelming those who are less interested in these details of the scheme.

“I’d look into the interest rate. I would probably look into the interest rate just to see actually probably could I get a better interest rate somewhere else?”

Employee, new to autosave

Jargon, technical concepts or too much detail

Autosave programmes are designed to help employees get started with savings, even if they lack financial literacy or confidence. Most employees for whom these programmes are intended will therefore be unfamiliar with financial jargon, for example language like “pre-tax”, “net pay,” and could be put off by long, overly wordy descriptions. Therefore, attempts should be made to simplify language to make it accessible and engaging to all savers and to reduce information to the minimum. Everyday language like “take-home pay” and “cash savings” can help to build confidence. Links to more detailed information can be provided for more detail-orientated individuals.

“I think it’s not confusing, it’s quite self-explanatory. It’s not loads of garble and you’re thinking, ‘What? I don’t understand that. What does that mean? What does this mean?’. I think it’s quite to the point, in English, you can understand it.”

Employee, new to autosave

“A lot of the time you don’t really understand it because it’s all in gobbledy goop.”

Employee, new to autosave when asked about whether they would read standard account information

Where employees’ first language is not English, or their confidence reading English is low, diagrams, animations and in-person communication may enhance written communications.

Being overly prescriptive about what the savings should be for

While the purpose of providing easily and quickly accessible short-term saving accounts may be to help employees build up a savings buffer for unexpected costs, many employees found the description of accounts as ‘emergency savings’ pots overly prescriptive and negative.

“To be honest, when I was reading it, I was a bit like, ‘Oh, that’s quite a strong word’ [...] If I was writing it, I probably wouldn’t put ‘emergency’ because it’s up to you how you want to use it, isn’t it?”

Employee, new to autosave

In some cases, alternative language like ‘rainy day fund’ or ‘savings buffer’ were seen as more neutral alternatives. Other employees suggested that the communications include lots of reasons an individual may save for the short term, to acknowledge that motivations might differ between individuals – some might be drawn to save for aspirational goals, whereas for others, saving is a pragmatic route to avoid getting stung by unexpected costs. Often savers will have multiple goals. Ultimately, employees can decide for themselves what to save for and acknowledging this may empower them.

“I just want to know, why is an emergency saving? Like, can we not choose what we want that savings for? Like, is it specifically for an emergency?”

Employee, new to autosave

A lack of clarity on the employer role

Amongst employees who were new to the idea of payroll autosave, a key concern was whether employers were benefiting from the scheme through ‘kickbacks’ or whether employees were being offered differential benefits, for example, directors receiving a preferential interest rate compared to other employees because overall uptake was higher.

“Is everyone in a company equally profiting off of this large savings sum, or is being split separately? You know, are the higher-ups making money off of my money?”

Employee, new to autosave

We have seen in our research that employees can think a scheme like this is ‘too good to be true’, which unfortunately can lead to some cynicism. It may help to be clear that no financial benefit is received by the employer for an employee’s participation.

“Nobody’s going to do it out of the goodness of their own hearts. No employer is going to take that extra time and effort to do all of this without gaining something themselves [...] So, I think there has to be some sort of gain for them to do this scheme.”

Employee, new to autosave

An explanation based on supporting employee financial wellbeing has worked well in the SUEZ context, where the organisation already has other benefits and a track record for trying to improve financial wellbeing.

“Well, it’s great that my employer is actually thinking about my financial wellbeing.”

SUEZ employee, remained in the scheme

There was also some concern amongst employees from a range of organisations (not SUEZ) who were new to the autosave idea that their employer would know how much they were saving, have control over what they took the money out for or make judgements for promotion, pay rises, or bonuses from the individuals’ enrolment in the scheme.

“Sometimes people may look down on you or it may cause, like, some sort of division within the team. So, if it could be something that not everyone knows that you have and that there’s some sort of, like, discretion or confidentiality, then that’s fine, but I think, if it’s mixed with your professional life and your personal life, then I feel like that can cause some sort of problems.”

Employee, new to autosave

It is worth alleviating such fears explicitly, as well as being transparent throughout communications as to why the employer is offering the payroll autosave scheme and how they stand to benefit.

“Small employers don’t have policies in place like big employers. It’s more casual, so I would need to see a really robust policy in place. Or know that [the account] was completely independent from the employer.”

Employee, new to autosave

The employee communications journey

There is more than one way to communicate payroll autosave to employees. However, there are some common steps to help employees along the communications journey whatever the context and design.

As there are many different ways to go about building an employee autosave journey, we don't include all the different communications and media options in this guide, nor how they may need to be tailored for different populations. Instead, we list here some of the keystones around which an employer or provider can build employee awareness, comprehension and engagement.

1 Resolve regulatory considerations

The first step in any opt-out user journey will be to ensure that any necessary regulatory considerations are resolved by the employer and provider.

Not sure what these are? You could take a look at some of the considerations identified in our paper: [Opt-out payroll savings – The regulatory considerations](#)

If a consent step or contractual change is required, our research suggests it is best to keep the description of the scheme simple at this stage. You can layer communications to allow people to find out more detail, depending on their level of knowledge, interest and time, and also provide reassurance that more information will follow.

2 Autosave introduction

The initial autosave communication should contain introductory information about the scheme, its benefits and how to opt-out. Those who had experienced autosave reported that this communication was the key point of engagement with the scheme for them and so care should be taken to ensure it includes key messages and meets your aims.

In this communication, account terms and conditions, information about the Financial Services Compensation Scheme and the full payroll autosave policy should all be provided to employees in a durable format as well as clear instructions on how to opt out. Links to the provider website or other account materials can help an employee to engage in their own research should they wish.

3 Opt-out reminders

The length of the opt-out window, the period in which an employee can stop an account being created, will vary depending on the structure of your scheme. A two-week period may be suitable for new joiners but may be too short if the scheme is being introduced to existing employees because things like holiday may mean the opt-out window is missed.

In addition to the length of the opt-out window, you should consider how many reminders you send employees and in what format. The initial opt-out communication plus two reminders was deemed by those we spoke to who had experienced an autosave journey to be suitable.

“I think there’s definitely enough time to think about it”

SUEZ employee who had a minimum of two-weeks to opt out and chose to do so

For employees who choose not to save, a confirmation back to them that their opt-out has been actioned and that they will not save through payroll as a result was felt to be reassuring. This would be an opportunity to remind those who chose not to save of how to sign up to save in future if their circumstances change.

4 Savings account welcome

For those who choose to save, the savings provider should send information to the employee about their new savings account after it has been created for them. There was a general preference among those we spoke to for this to be something physical that they could keep hold of and refer back to in the future. If it is not possible for the provider to send a physical copy of the account information, the employer could consider sending a confirmation of participation in a letter format.

“I know we’re going against print, you know, print, we usually do everything online now, but I think when you have it in your hand you can’t really deny it.”

Employee, no experience of autosave

5 First saving confirmation

It is likely that some of your workforce this is saving for the first time through autosave. Celebrating this achievement can build confidence and pride. For others it may just be the first time saving quickly and easily through payroll or with the specific provider chosen. A confirmation that their automatic savings have started provides reassurance that everything has been set up for them as planned.

This is a good opportunity to remind employees how much they are saving each pay period and how to manage their account and make changes, for example, how to change their payroll saving amount, make additional deposits, or withdraw money.

6 Ongoing communications

Employers may want to work with providers to develop an appropriate approach to ongoing communications with savers. For example, you could provide little reminders of how to manage savings including how to withdraw money. You could also celebrate milestones and achievements such as regularly saving for six months, or making a first withdrawal.

Setting up a payroll autosave scheme

This practical guide focusses on communicating autosave rather than the detail of how to design and implement an autosave scheme. However, design considerations are of course pertinent and will affect the communications strategy. Some key questions to consider when thinking about designing an autosave approach include:

Who	<p>Will all employees be offered payroll autosave?</p> <ul style="list-style-type: none"> › You could offer it to all employees, a subset of employees or just new starters. <p>Who will the savings provider be?</p> <ul style="list-style-type: none"> › There are lots of credit unions, building societies, fintechs and payroll providers who could offer payroll autosave to your employees.
What	<p>What saving product will be the default?</p> <ul style="list-style-type: none"> › Regular savings account, prize draw savings accounts, and cash ISAs are among the possibilities. › You may want to consider the suite of other products offered by the provider that your employee may want to access, such as financial coaching or affordable loans. <p>What will the default saving amount be?</p> <ul style="list-style-type: none"> › In an autosave model you will need a default saving rate. This can be determined by considering lowest salary, median salary, use of other saving schemes, for example, Christmas Clubs, or by talking to employees. › The amount should be sufficient that a meaningful buffer can be built up in a 6–12-month period. For example, £10 is likely to be affordable but after year will not provide much of a buffer in the event that a fridge breaks down, new school uniform is needed, or bills rise. › The accessibility of the account should be considered. If the account is instant access, then a higher amount may be more suitable than when withdrawals are next working day. <p>What are the incentives for the account?</p> <ul style="list-style-type: none"> › What is the interest rate or dividend? › Will you match or encourage employee savings? For example, if you have a National Insurance saving from offering a Salary Sacrifice pension scheme you could consider using that to incentivise accessible savings. › Is there a prize draw? › Are there other benefits that signing up to the account would bring, for example money towards funeral costs?
When	<p>Are there points in the employee lifecycle when offering autosave is most appropriate? For example, when an individual joins the company, changes role, or gets a pay rise?</p>
How	<p>You should consider the regulatory and legislative frameworks that payroll autosaving must operate within and make sure you are working within their bounds. You could read our papers on what the considerations are⁹ and what other employer and providers think about overcoming them¹⁰ for some different perspectives on this question.</p>

⁹ Opt-out payroll savings - The regulatory considerations <https://www.nestinsight.org.uk/wp-content/uploads/2021/12/Opt-out-payroll-saving-the-regulatory-considerations.pdf>

¹⁰ Opt-out payroll savings - A new way to support financial wellbeing in the UK? Industry and employer perspectives <https://www.nestinsight.org.uk/wp-content/uploads/2022/03/Opt-out-payroll-savings-Industry-and-employer-perspectives.pdf>



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